

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
On Its Own Motion)	
)	
Consideration of the federal standard on)	Docket No. 06-0525
interconnection in Section 1254 of the)	
Energy Policy Act of 2005)	

REPLY COMMENTS OF THE AMEREN ILLINOIS UTILITIES

Central Illinois Light Company d/b/a AmerenCILCO, Central Illinois Public Service Company d/b/a AmerenCIPS and Illinois Power Company d/b/a AmerenIP (“Ameren Illinois Utilities”), submit these reply comments in response to the comments offered by the Staff of the Illinois Commerce Commission (“Staff”), MidAmerican Energy Company (“MidAmerican”), Commonwealth Edison Company (“ComEd”) and the Environmental Law and Policy Center (“ELPC”).

Virtually every party filing comments supported implementing the federal standard for interconnection services included in subsection 2621(d)(15) of the Public Utility Regulatory Policies Act of 1978 (“PURPA”), specifically subsection (d)(15) which requires that electric utilities offer interconnection services to customers based upon the standards developed by the IEEE 1547 interconnection standard. See Staff at 3; MidAmerican at 2; ComEd at 2-3. Notably, each of the utilities, including the Ameren Illinois Utilities, also acknowledge the need for flexibility in terms of adopting other standards or guidelines for interconnecting customers into their respective systems. For example, MidAmerican stated “interconnecting generators will also need to comply with other standards, such as the ANSI C.50 standards and other IEEE standards. Utilities may also adopt standards for interconnecting customers that take into account the unique

characteristics of utility systems”. MidAmerican at 2. Similarly, ComEd promoted its utilization of manuals that deal with connections to distribution secondary grid networks and distribution secondary spot networks and other guidelines for other kinds of generation. ComEd at 2-4.

The Staff also acknowledges support for the utility’s use of other standards or guidelines in its reference to the requirements under the standard. Subsection (d)(15) requires the utilities establish agreements and procedures that promote the current best practices for interconnecting distribution generation, which may include the use of model codes adopted by associations of state regulatory agencies. Staff at 3-4. Similarly, the Ameren Illinois Utilities acknowledged in their Comments, the appropriateness of using other standards and guidelines, or other codes, to assist in ensuring that all types of generators, unique and otherwise, have the requisite instructions or guidelines by which to ensure proper interconnection to the utilities’ distribution system. In sum, the Ameren Illinois Utilities certainly support and understand the discussion by the Staff and other utilities in terms of their efforts to ensure proper generation interconnections and the needed protocols.

ELPC offers an interesting and thought provoking discussion focusing on matters such as barriers that may hinder the development of distributed energy resources, benefits of interconnection standards, jurisdictional issues, description of some interconnection rules, as well as a commentary with regard to the ICC draft rules. However, the foundation for ELPC’s position is the erroneous belief that significant problems currently exist that prevent the fair and reasonable connection of distributed resources.

The Ameren Illinois Utilities disagree with the assertion that barriers exist and are not aware of complaints or difficulties in distributed resources being connected to the electric grid. Further, the ELPC claims are not supported by the materials they rely upon. For example, in referencing the EPA document from the Combined Heat and Power Partnership titled “Standardized Interconnection Rules”, the ELPC claims that statewide standards would “substantially reduce” uncertainty and cost. ELPC at 2. However, this EPA document only states that, as a best practice, consistency with other states’ rules “help reduce compliance costs”.¹ The ELPC also cites the NREL study contending that barriers to smaller distributed generation projects exist in Illinois. Yet, the NREL study² only cites one case from Illinois and this dates back to 1993. This case predates FERC Order 888, Order 2003, the end of vertically integrated utilities in Illinois and the current situation wherein Illinois utilities have policies and procedures in place that support the connection of small generators. While statewide standards may impact the connection of distributed resources, the benefit of such impact should be based on an analysis of existing problems or difficulties, if any, with an investigation focused on current Illinois experiences versus a general claim extrapolated from unrelated out-of-state activities and interpolated from various studies or reports.

To the extent the ELPC is now calling for a rulemaking, we believe that request is premature for the reasons set forth by the Staff and as expressed above. The ELPC also provided in their comments, as Exhibit A, a set of suggested rules for consideration by the Commission. The Ameren Illinois Utilities take exception to this filing in that it is

¹ U.S. EPA, Combined Heat & Power Partnership, Fact sheet on Standardized Interconnection Rules at Page 3

² National Renewable Energy Laboratory, Making Connections: Case Studies of Interconnection Barriers and their Impact on Distributed Power Projects (May 2000)

extremely one-sided in favor of the small generators, does not consider the needs of the utilities and presents onerous requirements all of which are indicative of the very problems the ELPC says it wants to avoid. There is no demonstrable proof offered by the ELPC to suggest these are workable rules. We are open to discussing and working cooperatively to address specific concerns and ensure fairness in the interconnection process but to mandate a rule at this time is placing the proverbial cart before the horse.

In response, the Ameren Illinois Utilities suggest that the Staff has the best solution for going forward, aside from the Staff's support for the IEEE 1547 interconnection standard. Specifically, Staff would have the utilities include their standards, guidelines and procedures in their tariffs and the Ameren Illinois Utilities have no objection to that recommendation. Further, although the Ameren Illinois Utilities have already adopted the IEEE 1547 standard, we support the Staff's recommendation that any rulemaking be deferred until such time as all parties have completed implementing the IEEE 1547 interconnection standard. This would allow the parties time to assess problems, if any. A rulemaking at this time would be a speculative endeavor.

It is the Ameren Illinois Utilities' belief that placing the utility's preferred standards, guidelines and procedures as part of its tariffs is not an inhibitor to a later rulemaking. In time, when more information is assessed, all stakeholders, including the Commission, can better address the need or propriety of having uniform interconnection standards, applications, and the like.

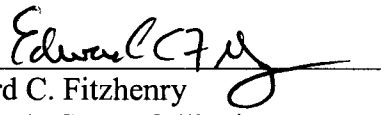
Dated: November 22, 2006

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, hereby certify that a copy of the foregoing was served electronically to e-Docket and to all parties of record on this 22nd day of November, 2006.



Edward C. Fitzhenry